

**EXHIBIT E**

**Excerpts from 1/3/2014 Hearing Transcript**

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

IN RE: CITY OF DETROIT, . Docket No. 13-53846  
MICHIGAN, .  
Debtor. . Detroit, Michigan  
January 3, 2014  
9:00 a.m.  
• • • • •

EVIDENTIARY HEARING RE. MOTION OF THE DEBTOR FOR A FINAL ORDER PURSUANT TO 11 U.S.C. SECTIONS 105, 362, 364(c)(1), 364(c)(2), 364(e), 364(f), 503, 507(a)(2), 904, 921 and 922 (I) APPROVING POST-PETITION FINANCING, (II) GRANTING LIENS AND PROVIDING SUPERPRIORITY CLAIMS STATUS AND (III) MODIFYING AUTOMATIC STAY (DKT#1520)

MOTION OF THE DEBTOR FOR ENTRY OF AN ORDER (I) AUTHORIZING THE ASSUMPTION OF THAT CERTAIN FORBEARANCE AND OPTIONAL TERMINATION AGREEMENT PURSUANT TO SECTION 365(a) OF THE BANKRUPTCY CODE, (II) APPROVING SUCH AGREEMENT PURSUANT TO RULE 9019, AND (III) GRANTING RELATED RELIEF (DKT#17)

CORRECTED MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING THE ASSUMPTION OF THAT CERTAIN FORBEARANCE AND OPTIONAL TERMINATION AGREEMENT PURSUANT TO SECTION 365(a) OF THE BANKRUPTCY CODE, (II) APPROVING SUCH AGREEMENT PURSUANT TO RULE 9019, AND (III) GRANTING RELATED RELIEF (DKT#157)

BEFORE THE HONORABLE STEVEN W. RHODES  
UNITED STATES BANKRUPTCY COURT JUDGE

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1 (Recess at 12:19 p.m. until 2:02 p.m.)

2 THE CLERK: All rise. Court is in session. Please  
3 be seated.

4 THE COURT: Looks like everyone is here. You may  
5 proceed, sir.

6 MR. ARNAULT: Thank you, your Honor. Before we  
7 begin, I've been asked by my fellow objectors to obtain a  
8 minute count if that's okay.

12 | MR. ARNAULT: Sounds good. Thank you, your Honor.

## CROSS-EXAMINATION

14 BY MR. ARNAULT:

15 Q Good afternoon, Mr. Orr. How are you?

16 A Good afternoon. I'm fine.

17 Q My name is Bill Arnault, and I represent Syncora. We met  
18 the other day at your deposition.

19 A Yes.

20 Q So to begin, I'd like to just go over a few questions  
21 about your understanding of the objectives and some of the  
22 effects of the forbearance agreement, and I know Ms. English  
23 asked you some of those questions, but I just want to link  
24 that with the forbearance agreement and the sixth amendment.

25 A Yes.

1 Q So to begin, your understanding is that the forbearance  
2 agreement releases all claims that the swap counterparties,  
3 the service corporations, and the city may have against one  
4 another; right?

5 A Yes.

6 Q In addition, it is also your understanding that the  
7 forbearance agreement resolves any defaults that exist under  
8 the collateral agreement and the amended swaps; right?

9 A Yes.

10 Q And the result of the forbearance agreement is that the  
11 city and the swap counterparties will be able to perform  
12 under the forbearance agreement without being subject to any  
13 liability to any third parties; correct?

14 A With the exception of any possible regulatory or criminal  
15 enforcement, yes.

16 Q Mr. Orr, you took a deposition in this case; correct?

17 A Yes.

18 Q And at that deposition you told the truth; correct?

19 A Yes.

20 Q All right. If you could flip to page 141 of your August  
21 30th deposition --

22 A Yes.

23 Q If you could look at line 14 through 20, please. Just  
24 let me know when you're there.

25 A Page 131?

1 Q Page 141.

2 A 141.

3 Q Line 14.

4 A Yes.

5 Q "Question: Okay. And the result of the  
6 forbearance agreement is that the city will be able  
7 to perform under the forbearance agreement without  
8 being subject to any liability to any third party?

9 Answer: That is my understanding.

10 Question: And so will the swap counterparties;  
11 correct?

12 Answer: That is my understanding."

13 Were you asked those questions, and did you give  
14 that response?

15 A Yes.

16 Q And so that immunity from liability, that's one of the  
17 values of this agreement to both the city and the swap  
18 counterparties; right?

19 A Yes.

20 Q Now, moving on to some of your objectives as part of the  
21 negotiations, as part of the initial negotiations, one of  
22 your objectives was to get the swap counterparties to waive  
23 their cash strapping rights on an interim basis so that the  
24 city could access the casino revenues; right?

25 A Yes.